

**QUARTERLY REPORT FOR THE PERIOD ENDING
31st MARCH 2012**

Activity Summary

- **Planning and approvals for further drilling at Yarlalweelor have been completed.**
- **Management continues to review other projects**

Corporate Summary

- **Management continued to assess selected uranium projects in Australia and overseas during quarter.**
- **Broader acquisition and corporate opportunities in other commodities were also reviewed as part of management's growth plan.**

REVIEW OF OPERATIONS MARCH QUARTER 2012

YARLARWEELOR: Uranium project – WA (100% interest)

The Yarlarweelor uranium project is located 125 km north of Meekatharra in Western Australia and consists of two granted exploration licences covering an area of 656km².

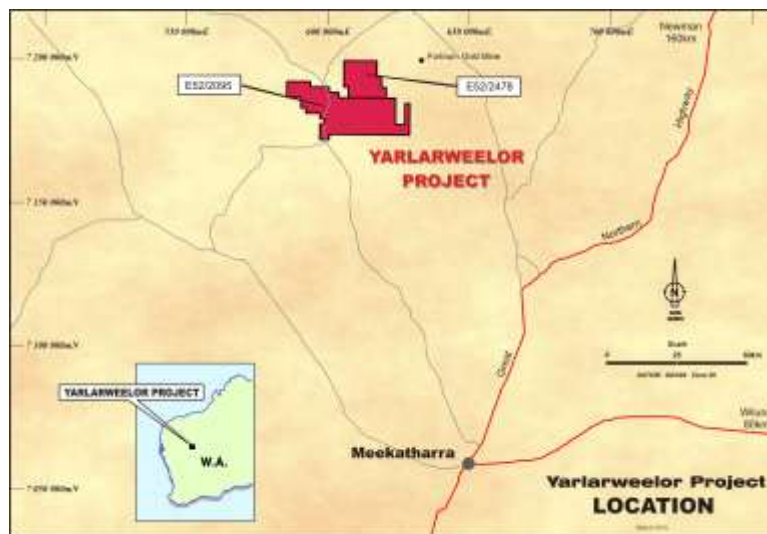
The Company is targeting significant uranium mineralization (in the form of uraninite) present within the Archaean Despair Granite where it is associated with biotite schists in shear zones.

Previous FYI mineralised drill intersections on the project include:

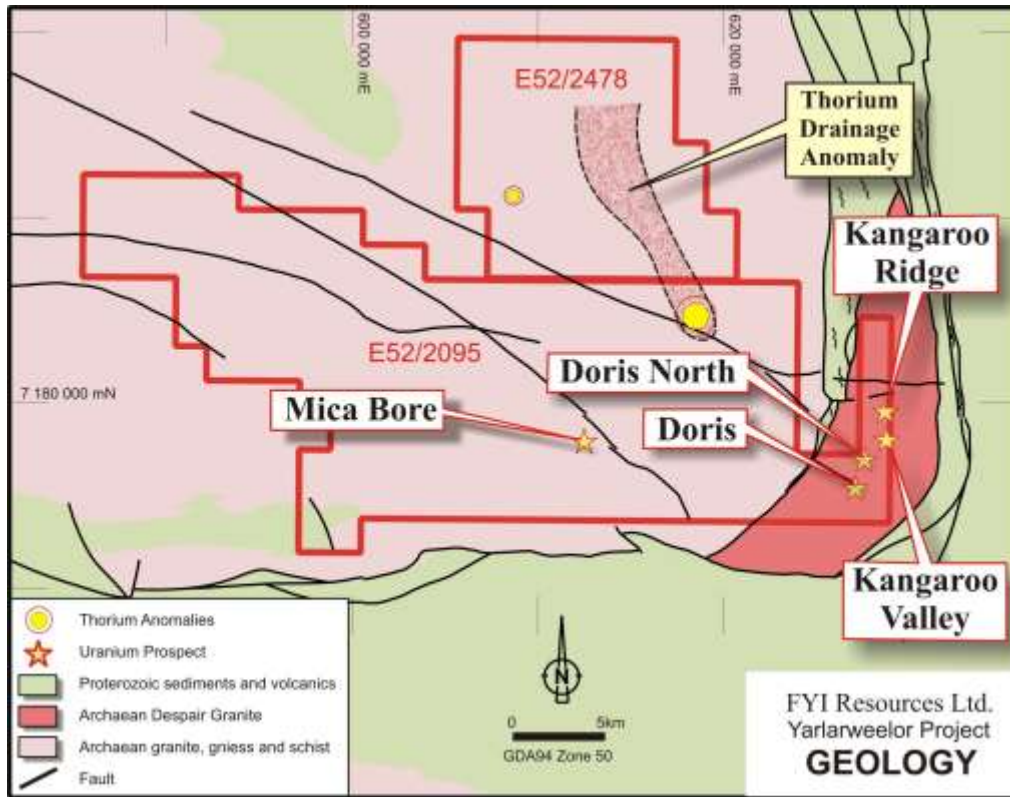
- **35m @ 503ppm U₃O₈ from 125.1m, including 5m @ 1,069ppm U₃O₈; and**
- **7.8m @ 588ppm U₃O₈ from 47.8m, including 1m @ 1,873ppm U₃O₈**

Results from a detailed airborne radiometric survey and geological mapping indicate shear zones prospective for uranium mineralization have a combined strike length in excess of 25 kilometres exist within the Company's tenements.

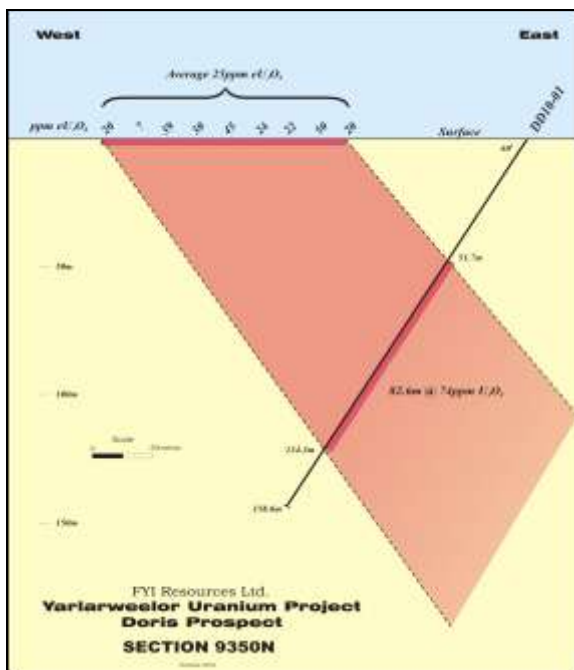
Planning for further drilling has been undertaken and necessary approvals for drilling have been obtained.



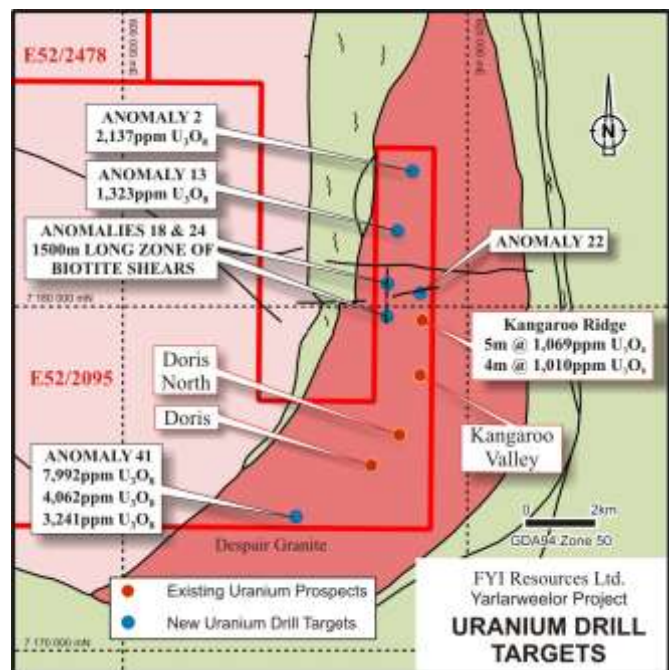
Yarlarweelor Location Map



Yarlarweelor Geology



Yarlarweelor Mineralised Section



Yarlarweelor U308 Drill Targets

NEW PROJECT REVIEW

During the quarter the Company continued its extensive review of project opportunities outside of the current uranium strategy.

Whilst the FYI board consider that the uranium sector displays very good long term investment characteristics and supports its ongoing involvement in the sector, management believe that there is opportunity to secure, explore and develop other favourable projects that will deliver value to shareholders. FYI continues to monitor a number of these potentially synergistic projects.

- End -

Further Information:

Adrian Jessup

Director

Tel: (08) 9361 3100

Roland Hill

Chief Executive Officer

Tel: 0414666178

eU and eU₃O₈ are values obtained using a calibrated Exploranium GR-135 spectrometer.

The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee of Empire Resources Ltd. He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Ross consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.